

Introduction

A Conceptual Frame for Systemic Changes

In general, there are two contrasting interpretations of North Korea's provocative posture on its nuclear weapons program and the country's launch of economic reform measures, both of which occurred in 2002. Emphasizing the pressure maintained by the outside world, one interpretation maintains that North Korea's provocative security posture, particularly in terms of nuclear weapons development, should be attributed to the long isolation that has characterized this nation even after the breakdown of state socialism in Eastern Europe and the Soviet Union. According to this view, since North Korea was devastated during the Korean War by American air bombing and was isolated by various forms of U.S.-imposed sanctions, Pyongyang has had no other way but to search for its own means for survival, including heavy military buildup and particularly nuclear development. The other interpretation posits that North Korea's provocative posture is attributable to the nation's regime, characterized by Kim Jong Il's monolithic power. This interpretation, focusing on internal factors, underscores the point that the existing oppressive system has to act aggressively, employing external threats or confrontations as a centerpiece for internal political integration.

Despite the two interpretations' respective merits, it is fair to say that a country's behavior pattern toward the outside world is based on a combination of external and internal factors. A security policy of a country as a system is not a simple response to stimuli from the

outside but a consequence of continuous interactions within the system and with its environment.¹ The means whereby such interactions are channeled and the ways in which policy-making processes are nested are dependent on the capacities of the given system. In this respect, the understanding of North Korea's external behavior pattern requires an investigation of the systemic dynamism of national identity formation and its reproduction and transformation.

Systems theory, from which I adopt many concepts in this book, has contributed to the development of propositions on not only interactive relations between a system and its environment but also systemic dynamism. Employing concepts of systems theory, this book delves into an important question: Between 1973 and 2002, how have internal changes in North Korea under the expanding rule of Kim Jong Il structured the country's apparently provocative—but actually defensive—diplomacy and recent economic reform measures? (The three-decade period starts with Kim Jong Il's full involvement in the party's organizational affairs in 1973 and extends through North Korea's launch of economic reform measures and the emergence of the second nuclear crisis on the Korean peninsula in 2002.) In order to answer this question, this book examines the origins, consolidation, and dissonance of North Korea's systemic identity by illustrating various unofficial developments in that system. It is noteworthy that the examination of such changes pertaining to systemic identity involves consideration of interactions between the system and the environment.

Two concepts need a brief definitional clarification for the convenience of the reader, even though they will be more fully discussed in the following parts.² First, *environment*, in general, refers to either a composite of neighboring systems or a suprasystem that includes the given system and those neighbors.³ A system's relations with its environment implies various forms of interactions—between the system and the environment and between subsystems of the system and the environment.⁴ Second, the system-environment interaction does not necessarily produce a smooth transition of the system. The *asymmetrical characteristics* of the interaction between a system and its environment—as Niklas Luhmann stated, "The environment is always more complex than the system itself"⁵—render the system vulnerable to fluctuations in the environment. Depending on the level of interactive capacity to cope with the environmental fluctuations, a system may or may not overcome various challenges and finally would experience either systemic evolution or dissonance.

Emergence of the Systemic Identity of North Korea

North Korea as a system

Systems theory has posited that a system is open to the environment.⁶ This famous proposition about open systems has been considered a core element of the theory. According to this proposition, one can also posit, by hypothesis, a closed system by way of contrast. But without transactions of resources and information with the surrounding environment, a closed system cannot persist. Even though it was formulated in relation to the physical world in the early stages of systems theory, the proposition about open systems has subsequently undergone extensive applications to the social sciences.⁷ North Korea, just like other systems, is an open system in that it has to interact with its environment. Differences between democratic systems and nondemocratic systems like North Korea lie in the structure of that system, which channels degrees and patterns of interactions with the environment.

Despite some conceptual advantages, the proposition about open systems by itself cannot account for a system's various degrees of external differentiation or separation from an environment. In other words, the proposition does not detail how a system maintains its original identity to signify distinctiveness, while retaining interactions with the environment. The limitation of the proposition of open systems lies in that it does not help us explain both how the hard shell of the system develops and why internal contradictions emerge in the system later on. Moreover, the proposition of open systems alone is unable to account for the ways in which the system differentiates itself from its surroundings through self-reproduction, which may be regarded as inertia of its systemic identity.

It is worth noting that the notion of *autopoiesis*—with which the social sciences community is more or less unfamiliar⁸—may provide us with a better configuration of the system's differentiation and separation from its environment and of the system's dynamics with relevance to system-environment interactions. Autopoiesis, whose rich meaning was intensively explored by Humberto R. Maturana and Francisco J. Varela, refers to an interactive network that recursively produces components that realize the network. Autopoiesis involves the maintaining and the strengthening of a given system's essential variables, as long as the process of self-reproduction continues.⁹ The self-reproduction is a recursive process whereby the result of its own operations, as Niklas Luhmann noted, is used as the basis for further

operations. That is, when self-reproduction takes place, “what is undertaken is determined in part by what has occurred in earlier operations.”¹⁰ The notion of self-reproduction enhances the plausibility of systems theory by unifying individuality and identity, on the one hand, and interconnectedness and interpenetration through open interactions, on the other.

A system is not closed, in a genuine sense, but externally differentiated from its environment in terms of organizational characteristics. The self-reproduction promotes systemic individuality and identity and maintains a certain degree of symmetry—or slows down the emergence of asymmetry—among subsystems or parts within a system. In this vein, John Mingers posited that a system is “organizationally” closed but “interactively” open.¹¹ The emphasis on individuality and identity does not necessitate the closure of the system but implies *differentiation* or separation between the system and its environment, an implication that should be called external differentiation. Luhmann intensively utilized the notion of differentiation for not only *external* processes but *internal* processes, as well.¹² He illuminated systemic identity by elaborating on the internal differentiation processes that enhance degrees of complexity.¹³ In other words, the system becomes more externally distinctive from the outside through internal reproduction of the components, while maintaining the relatively constant features of the system’s individuality. In this respect, it is fair to say that the internal differentiation is a requisite for the external differentiation of a given system and for the system’s distinguishable identity. The main objective of this book is to illustrate the thirty years of internal differentiation processes, both official and unofficial, between 1973 and 2002 in North Korea under Kim Jong Il’s rule. These processes have contributed to a gradual transition of the systemic identity that formed in the early Kim Il Sung era.

The emergence of the North Korean system—commonly called *state-building*—started as Kim Il Sung and his Manchurian guerrillas returned from the far eastern regions of the Soviet Union in September 1945, which was three years before the formal launch of the Democratic People’s Republic of Korea (DPRK) in September 1948. The state-building involved both power competition and collaboration among the factions. Kim Il Sung and the Manchurian guerillas were challenged by the Yanan faction (headed by Kim Tu-bong and Ch’oe Ch’ang-ik), Soviet-conscripted Koreans (represented by Hō Ka-i), and indigenous Communists, especially those from South Korea (led by Pak Hōn-yōng). However, with the assistance of the Soviet army, which had entered northern Korea to disarm Japanese forces, Kim’s faction

began to expand power in the newly formed interim government and the party.

In the economic arena, they expanded their support among poor peasants through radical land reform enacted in February 1946. Furthermore, because the land reform drove the landlord class, a privileged class in the Japanese colonial period, into southern Korea, Kim and the Manchurian guerrillas faced very little resistance from the general public. In the affairs of ideology, the new holders of power in northern Korea officially adopted Marxism-Leninism in the process of rationalizing their rule over the society. In the intellectual arena, they established Kim Il Sung University and other training institutions where new intellectuals, party cadres, and administrative bureaucrats were educated, while they abolished the vestiges of Japanese intellectual traditions.

For the emergence of a system in the northern part of Korea, a "comparison effect" between the northern and southern parts was an important factor.¹⁴ Helped by the American forces who occupied the southern part, Rhee Syngman, an independence movement leader with a doctoral degree from Princeton University, became the principal figure in the political arena. Rhee's early political success should be attributed to his practical stance of mobilizing the support both of old bureaucrats, who came from the landlord class and were trained under Japanese colonial rule, and of the United States for the immediate building of a separate anti-Communist state in the South.¹⁵ In this way, two contrasting systems emerged: one in the northern part of the Korean peninsula and the other in the southern part after independence in August 1945.¹⁶ These two systems solidified the demarcation between the two geographic regions. In turn, the comparison effect, generated by the radical transformation in the North and the conservative transition in the South, reinforced the external differentiation between the two systems. Before the official launch of the two sovereign states on the Korean peninsula in 1948, the landlord class in the North moved to the South in order to escape political oppression, while the Communist leaders in Seoul crossed the border to the North in order to avoid repression under the American Military Government. The two-way flows further sharpened the external differentiation between the two emerging systems and finally brought about a serious confrontation that, by June 1950, culminated in the Korean War.

Reference points of the systemic identity

To account for its unique development path, one must take into account the recursive processes in the period of emergence of the North

Korean system. The systemic emergence involves self-reproduction in which each subsystem or part produces properties that differ little or not at all from the properties of a given system.¹⁷ Because self-reproduction is a process that intensifies individuality and identity, there should be *reference points*¹⁸ whereby a particular mode of interaction legitimizes the relations not only among subsystems or parts but between a system and its environment, as well. At the phase of systemic emergence (state-building in this work), the object of reference in self-reproduction is fluid. Therefore, the emergence of a system may give rise to a pursuit of interpenetration among subsystems and, at the same time, establish a certain degree of internally differentiated functions at each subsystem level. Enhancing the degree by which North Korea differentiated itself from its environment, the system's subunits interpenetrated one another with special reference to the following points:

1. *Socialist principles* of giving priority to public goods. This is the reference point that could be seen, at the time of North Korean system formation, in the Soviet Union under Stalin and in Communist China during the civil war. Processes of the embodiment of socialist principles—bureaucratization of the party-state, nationalization of major industries, land reform (later agricultural collectivization), and establishment of official ideology—have reproduced public ownership and the collectivist identity of human and material resources. The socialist principles not only extol the ideal of egalitarianism but also play important roles in binding the society together through such institutions as regular party-life criticisms and party committees. Furthermore, a unique application of socialist principles to the North Korean system contributed to ideological integration under the banner of Chuch'e (meaning "self-reliance" in Korean), and to the conversion of social groups, particularly intellectuals, into the working class.
2. *Anti-imperialism*. This reference point is based on North Korea's antagonism to both the United States and its perceived puppet, South Korea. While the socialist principles above are in common with values attributable to other socialist systems, anti-imperialism was caused by unique historical experiences: the national division and the Korean War.¹⁹ Indeed, in North Korea they call it the "National Liberation War," and say it was waged to free fellow Koreans in the South from American imperialism and Rhee Syngman's dictatorship. The U.S. economic sanctions, imposed after the war, have strangled the North Korean economy and have contributed to a phobia about all

things American.²⁰ While being utilized for the integration of the society, this reference point has reproduced distinctive policy features of *autarchy* and *isolation* from the outside world. In formulating and advocating the unification policy of the Korean federation, this reference point provided Pyongyang with useful arguments about the withdrawal of American military forces from the Korean peninsula, cooperation among Korean people, and the grand unity of Koreans in the North, the South, and abroad.

3. *The anti-Japanese guerrilla tradition.* This tradition became a reference point in the process of Kim Il Sung and the Manchurian guerrilla faction's monopolizing of power in the second half of the 1950s. The reference point is based both on the fact of the Kim-led armed resistance under Chinese command in the late 1930s and on the exaggeration of the fact.²¹ The significance of a political meaning therein was revealed by Kim Il Sung when he first proclaimed at the tenth anniversary commemoration of the Korean People's Army (KPA) in February 1958 that the KPA was the successor of the Manchurian-based partisans' tradition of the anti-Japanese armed struggle.²² Likewise, the reference point came to be coded in the party bylaws at the Fourth Congress of the Workers' Party of Korea (WPK) held in September 1961. They stated that "The WPK is the direct successor of the glorious revolutionary tradition achieved by the Korean Communists' anti-Japanese armed struggle."²³ In April 1973, when preparations were underway for Kim Jong Il's succession, O Chin-u, then chief of staff of the KPA, laid out this reference point of the DPRK's identity by highly praising the anti-Japanese struggle.²⁴ Combined with anti-imperialism, this reference point has continued since 1974 to create social uniformity with the slogan "the Anti-Japanese Guerrilla Style in Production, Learning, and Life." This slogan justified, in particular, the Kim family's monolithic power and hereditary succession. In support of the existing power monopoly centered on Kim Jong Il, the reference point of the anti-Japanese guerrilla tradition eliminated those potential groups that might have contributed to the enhancement of an interactive capacity of the system. The Kims' monolithic power has suffocated the articulation of different voices or interests. It is notable that the upholding of the "military-first politics" after the death of its mentor, Kim Il Sung, in July 1994 has brought about a significant change in the meaning of this reference point. The main actor supporting the system has shifted in popular perception from guerrillas to the regular army.²⁵

All three reference points have been reflected in the Chuch'e idea, North Korea's official ideology, which has been frequently regarded by outside observers as a composite of the most significant propositions regarding the uniqueness of the system. At the same time, it is noteworthy that these reference points are also embedded in the institutions and the behavior patterns of each subsystem.

Furthermore, the reference points are closely associated with *actors*. That is, in the formation and maintenance of reference points, it matters seriously who rules on behalf of what. In this respect, it is indispensable to identify a link between actors and a system in general. Notably, systems theory admits the methodological necessity of "pragmatic holism and theoretical individualism" at the same time.²⁶ It is impossible to trace all empirical interactions at the microlevel. The complexity of the interactions impedes us from giving a complete explanation of them. This situation compels us to seek out the assistance of the holistic approach when we are scrutinizing a given complexity. The holistic approach portrays a general configuration in which various types of questions regarding relationships between variables arise—that is, holism helps highlight those nodal points whereby variables have diverse interactive relations. Accounting for the complementary roles of the macro and the micro, the following chapters accordingly deal with the activities of North Korean leader Kim Jong Il as well as subsystems and their institutions within which Kim and other types of actors have interacted with one another.

The significance of actors in the embodiment of reference points in North Korean society was particularly distinctive in the period of the Korean War (1950–53). There are different interpretations about the characteristics of the war, but the most contentious debate has taken place between the advocates of the "civil war" theory and those of the "international war" theory. Bruce Cumings has represented the theory of civil war in his two-volume seminal work, *The Origins of the Korean War*, where the author underscores the rise of two ideologically divergent communities and their subsequent military provocations, even before the war broke out.²⁷ According to this theory, the question of how the contrasting systems emerged is more significant than the inquiry into who triggered the all-out massive attack. The other interpretation, emphasizing international factors related to the Korean War, came to attract a good deal of scholarly attention, especially after many historical archives of the former Soviet Union became available in the 1990s. The theory of international war stresses the particular significance of Stalin and Mao's assistance to Kim Il Sung's initiation of the war. According to this theory, the war was an international war in

which not only North Korea and South Korea but also major powers in Northeast Asia participated.²⁸

A rigorous analysis of the debates on the origin of the Korean War reveals that the theory of international war complements the theory of civil war rather than vice versa. The process of severe external differentiation between the North and the South was intertwined with the engagement of the major powers in regional Cold War competition. The occupation of the North by the Red Army and that of the South by the United States forces was the first hard evidence of the backdrop of the Korean War as an international war. However, without taking into account the grip of power centered around Kim Il Sung and Rhee Syngman in the North and the South, respectively, one cannot characterize the Korean War. These leaders were the main actors who contributed to the development of divergent reference points after the national liberation in 1945 and further intensified the divergence during the war.²⁹ In the North, in particular, it was a significant shift that Kim Il Sung launched attacks against other factions in the WPK by utilizing resources at his disposal and by exploiting tactical situations favorable to his political goals. Inasmuch as politics is a cause for the production of binding decisions that affect the authoritative allocation of social values,³⁰ Kim Il Sung, thanks to the wartime consolidation of a strong party-state, was now able to disseminate those values embedded in the reference points, particularly socialist principles and anti-imperialism. A handy example of the swift dissemination of the socialist principles is the agricultural collectivization that was completed in 1956, three years after the end of the Korean War. Of course, Kim Il Sung's dominance over the party-state was achieved only after power struggles, which culminated in August 1956, between Kim's Manchurian guerillas, on the one hand, and the Soviet-Koreans and the Yanan faction, on the other hand.

In the power struggle, the main resource for Kim's faction, the Manchurian guerillas, was the military even before the war. Under the auspices of the Red Army, his faction became the only political faction that could secure armed forces. The Yanan faction, which had acquired a solid reputation for its anti-Japanese resistance in China, was disarmed as it crossed the border at the end of 1945.³¹ Soviet-Koreans and domestic Communists were composed of descendants of emigrants to the Soviet Union and of progressive intellectuals of southern origin, respectively. It is not surprising, then, that they had no chance to develop an armed power-base. Consequently, the Korean War expedited the process of systemic formation centered on Kim. Taking advantage of his official military position as the supreme commander

of the KPA during the war, Kim Il Sung could mobilize all the resources for the consolidation of his power in the party as well as for the conducting of the war. In contrast, most leaders of the southern faction became stigmatized for their failure to incite South Korean popular support for the KPA at the war's outbreak, and for this reason, most of them were purged during the war period. In the same vein, the top leaders of the Soviet-Koreans were pushed away, one by one, from high posts in the party.

Embodiment of the System: Functional Differentiation

Systemic emergence is a process whereby a system externally differentiates itself from the environment and begins to have its own distinctive individuality and identity. Such external differentiation from the environment necessarily accompanies internal differentiation—that is, the self-reproduction of subunits in conformity with the emerging overall identity of the system which may be phrased as “higher institutionalization,” to use Samuel S. Kim’s term.³² The initial form of internal differentiation is a functional differentiation among subsystems. Systemic emergence pursues a common identity that characterizes the system as a whole and also it experiences internal complexity owing to the functional differentiation *within* the system. In North Korea, the impact of national division and the Korean War on the embodiment of the system was so enormous that socialist principles, anti-Americanism, and a sense of rivalry with the South penetrated into every subsystem. Also, the impact of the two events—along with the revival, in the early 1970s, of the anti-Japanese guerrilla tradition—contributed to the rationalization of Kim Il Sung’s power and the succession to power of his son, Kim Jong Il.

In light of these events, one asks, what kinds of subsystems should be accounted for? *Subsystem* refers to a set of interactions between people who are concerned with particular functions in a system. In each subsystem, a limited number of people exercise influence, especially in a nondemocratic country like North Korea. And yet, all members of the system are involved in the subsystem composite, either directly or indirectly. The four subsystems categorized here are the political, ideological, economic, and intellectual-cultural subsystems.³³ At the stages of state-building and consolidation in North Korea, the political subsystem was the party-state under Kim Il Sung’s leadership, which played a leading role in the embodiment of the entire system. The ideological subsystem was Chuch’e, or self-reliance, which came to represent a “creative application of Marxism-Leninism to

Korean society." The economic subsystem was public ownership based on the collectivization of agriculture, industry, and commerce; and the intellectual-cultural subsystem involved the new genre of writings called "socialist realism," which served the reproduction of values and knowledge in accordance with objectives of the party-state centered around Kim Il Sung. It is noteworthy that the emergence of these subsystems was a process of functional differentiation within the scope of embodiment of the three reference points mentioned before—socialist principles, anti-imperialism, and the anti-Japanese guerrilla tradition.

Political subsystem

The political subsystem, the party-state in the socialist system, involves a generally authoritative allocation of collectivist values that are incorporated into the official ideology. The party-state has a hierarchical bureaucracy for the transmission of intentions and policies made by core party leaders to the cabinet and local organizations in the society. The subsystem does not allow for any alternative political organization but makes use of various party units as a nexus of the system. Thus, as T. H. Rigby noted, the socialist system exhibits mono-organizational characteristics.³⁴ North Korea has maintained a peculiar form of the mono-organizational party-state, one that is based on an authority structure centered on the "Great Leader" Kim Il Sung and the "Dear Leader" Kim Jong Il. It is noteworthy that one of the goals associated with the political subsystem is the expelling of U.S. forces from the Korean peninsula and the independent achievement of national unification.³⁵ That is, the political subsystem not only adopted a mono-organizational party-state, as seen in the Soviet Union and China, but also has reflected those values embedded in the reference points of anti-imperialism and the North's rivalry with the South.

Ideological subsystem

The ideology in socialist systems, in general, is known as Marxism-Leninism and as Stalinism or Maoism, and that of North Korea is the application of Marxism-Leninism to the Korean situation known as the Chuch'e idea. Active participants in the ideology are limited to party cadres in propaganda and educational affairs, and the general public is also an important actor, even if passive, because the stability of the ideology depends on a relatively high degree of internalization among the people. More than often, it is exploited by the leaders for their own personality cult, as seen in the cases of Stalin and Mao. This

is also true in the case of Kim Il Sung and Kim Jong Il in North Korea. The Chuch'e idea surfaced in the mid-1950s amid the postwar power struggle between Kim Il Sung and other factions, and later evolved into an ideological composite of self-reliance during the period of Sino-Soviet conflict in the 1960s. In 1974, Kim Jong Il formulated Kimilsungism, matching his father's idea to Marxism-Leninism and Maoism; in turn, he became the exclusive authoritative interpreter of the ideology, unveiling the father-to-son power succession. Even though the propositions have undergone many changes over the last five decades, the Chuch'e idea has remained a constant conceptual tool in the indoctrination of the North Korean people, reproducing the systemic identity by referring to socialist principles, anti-imperialism, and the anti-Japanese guerrilla tradition.

Economic subsystem

The economy of the socialist system is based on central planning, nationalization of the means of production, and rapid industrialization, characterized by a prioritization of heavy industry. The North Korean economy showed remarkable growth right after the Korean War, but has slowed down considerably since the late 1960s.³⁶ There were several reasons for the limits on continuous growth: ideological constraints over economic reasoning, shrunken diplomatic behavior space in the midst of the Sino-Soviet conflict, a reliance on heavy industry due to inter-Korean tensions, and a drain on material and intellectual resources due to North Korea's isolation. Since the mid-1980s, North Korea has initiated changes in its economy, such as its adoption of the Joint Venture Law and the independent accounting method in enterprise management, to cope with economic deterioration. However, Pyongyang implemented the joint venture and the independent accounting method without fulfilling any conditions for reform.³⁷ In this respect, the initiatives are considered adjustment measures intended for minimal policy outcomes within the scope of a socialist economy.³⁸

Intellectual-cultural subsystem

The intellectual-cultural subsystem is a behavior set of intellectuals—a *quasi class*, to use the Leninist term—such as writers, artists, professors, teachers, researchers, technicians, physicians, and clerical workers. It should be pointed out that the role of intellectuals in bringing about a systemic change depends largely on not only cultural and educational policies but also the system's previous historical tradition and

the resulting international impact. In North Korea, the class policy on intellectuals was closely intertwined with both the division of Korea and the Korean War. Before the war, intellectuals of southern origin comprised a core element of the intellectual community in the North. But their linkage to the domestic Communist leaders of southern origin, who were purged during and after the war, left them under harsh surveillance. In the late 1950s, the WPK scrutinized and classified them through the intellectual policy called "Central Party's Concentrated Guidance" and "Meetings for the Scrutinizing of Thoughts." Intellectuals, and especially those of southern origin, completely lost their social status as members of a quasi class in the mid-1960s because of the class policy called "Revolutionizing Intellectuals and Converting Them to the Working Class." This policy suffocated the capacity of intellectuals in the fields of engineering and the natural sciences, as well as the social sciences, while the party-state privileged—particularly with reference to the notion of Chuch'e—its ideological interpretation of academic concepts.³⁹

In this way, national division and the Korean War, as well as the employment of socialist principles, have had a great impact on North Korea's unique developmental path. The priority given to public goods in the Soviet Union and China worked as a general reference source for the functional differentiation of subsystems in the North Korean socialist system. At the same time, the developmental path, as manifested in Chuch'e, has characterized North Korea's systemic isolation from the outside, because of Pyongyang's antagonism toward perceived imperialism and because of its competition with the South.

Systemic Dissonance and Major Conjunctions

The North Korean system under Kim Jong Il is characterized not only by functional differentiation at four subsystem levels, as mentioned above, but also by the spread of unofficial spheres and the resulting systemic dissonance, both of which have appeared since the second half of the 1980s and intensified amid the breakdown of the socialist bloc in Eastern Europe at the end of the 1980s and the famine in the mid-1990s. Systemic dissonance may be represented not only by the contradiction between the existing collectivist idea in the Chuch'e idea and the spread of private entrepreneurship and familism, but also by the seemingly serious repudiation of the reference points and its resultant degradation of systemic identity.

In a sense, systemic dissonance may be regarded as a breakdown of Harry Eckstein's notion of congruence. According to Eckstein,

congruence between the governmental authority pattern and other social authority patterns guarantees stability of a political system.⁴⁰ By following this logic, one can say that in a socialist system like North Korea, systemic dissonance conceptually notes incongruence between officially authorized spheres and unofficially existing spheres, as seen in the second economy. But this is not quite enough to explain the systemic dissonance. Systemic dissonance involves not only the meaning of furthering discrepancy between the official sphere and the unofficial social sphere but also the connotation of the degradation of the overall identity of a given system, a situation that is, of course, caused by the discrepancy itself. In other words, systemic dissonance is an inclusive notion rather than incongruence. Systemic dissonance does not necessarily bring immediate breakdown of the system. But if the systemic dissonance is not followed by an adaptive process, like transformation of a certain reference point of the systemic identity, then the system will enter a critical phase. In order to account for systemic dissonance, it is necessary to examine in detail the processes of further internal differentiations that yield especially unofficial spheres and to investigate the processes of the latter spheres' disassociation of the existing reference points.

Internal differentiation and nature of unofficial spheres

A system is not static but dynamic.⁴¹ As systems theorists have aptly noted, it is not just the continuation and preservation of identity in the face of change. There may occur structural changes with conservation of the system itself.⁴² In general, continuous internal differentiation may enhance the degree of a system's viability. With internal differentiation, the system becomes a more flexible and adaptable one in coping with its environment. In this respect, a system that exhibits a high degree of internal differentiation appears, at first glance, to be unstable, but is durable in the long run. Such a highly internally differentiated system is exemplified by a democracy. As James March and Johan Olsen have written, a democracy is a "collection of loosely coupled institutional spheres with different purposes, logics, principles, and dynamics."⁴³ In other words, the internal differentiation in democracy increases internal diversity and dynamics whereby self-organizing networks among independent and autonomous actors are constructed. It is remarkable that internal differentiation is a result not necessarily of rational human choices but frequently of natural processes, regardless of system types. Even in a monolithic socialist system like North Korea, not all internal differentiation processes are a

consequence of a top leader's policy choices; many of them are unintended outcomes and therefore are called *unofficial* or *illicit spheres*. This is because the leader dominates the authority relations at the top but cannot control all the variables in the system.

Whatever the form a system may have, the aging of a system results in various types of internal differentiation. In the socialist system, internal differentiation continues to occur, particularly in unofficial spheres. For instance, inequality may arise on the basis of cleavages between family background, income, education, or ethnicity;⁴⁴ counter-cultures of youth or another specific generation may compete with the socialist culture; the underground market may appear to cover dysfunction in the official economy; and a new social hierarchy may come into being even after the revolutionary breakdown of an old social class. The sustainability of the system depends on how various forms of internal differentiation coexist with one another, while maintaining a certain degree of integrity that maintains systemic individuality in contrast to the environment.

However, it should be noted that the internal differentiation has different meanings depending upon the system type, democratic or monolithic. In a democratic system, the internal differentiation develops a high interactive capacity, which is a requisite for systemic viability. This is so because the internal differentiation allows for diverse gatekeepers to deal with issues originating from the environment.⁴⁵ A democratic system that is oriented toward internationalization and globalization is a system of a high degree of complexity. Examples of internal differentiation in this system are plentiful: the establishment of formal committees and informal research circles in the legislature, the dispersal of a peace movement group into many reconstruction volunteer groups and humanitarian aid projects, the separation of small businesses from a federation of business groups, and the diversification of academic associations in a discipline. Unlike socialist systems with monolithic power, this internal differentiation allows for diverse relations with neighboring systems. Mixed relations made by differentiated parts contribute to the interlocking of the democratic system with the environment. These relations let the system as a whole be viable in the context of a swift adaptation to rapid changes in the surroundings. That is, these relations allow for "coevolution," to use Erich Jantsch's term, between the system and its environment.⁴⁶

It is not a surprise that there exists variety in the internal differentiation pattern, even among the systems categorized as the same democratic type. Depending on references for self-reproduction at the early stage of the systemic emergence, the internal differentiation

pattern and the ensuing complexity may be dissimilar with one another. It is noteworthy that the school of new institutionalism has presented a similar idea by invoking "path dependence" or "historical dependence."⁴⁷ These notions reflect the significance of the original individuality to which the processes of internal differentiation and self-reproduction always refer. That is, these notions in new institutionalism run parallel to the term of self-reproduction in systems theory.

James March and Johan Olsen have used a comparative example to illustrate this. Even though the United States and Canada resemble each other more than they do other countries, their institutions differ consistently as a result of distinct historical experiences, starting from the American Revolution. Such a historical difference, with its origins to be found in the formation of the state, has continued to produce different political institutions with distinctive characteristic traits.⁴⁸ March and Olsen say that the historically dependent institution contributes to the perpetuation of a given social tradition. In this way, each democratic system, by following unique references, may develop its own identity within a certain range of commonality.

In contrast, imagine a case in which the political subsystem—for instance, the party-state in the Soviet Union, China under Mao, and North Korea under Kim Il Sung—would not admit further, indeed *unofficial* internal differentiation other than the functional differentiation of four subsystems. This would result in a degradation of the system's viability, because of a lack of both interactive and selecting capacity to cope with the fluctuating environment. Even in a socialist system, it is necessary for its survival that the system accommodates unofficial internal differentiation, while maintaining a balance between the self-reproduction referring to the original identity for a certain degree of internal integrity, on the one hand, and the acceptance of a gradual transition in the original systemic identity and individuality, on the other.

Prolonged disregard of unofficial internal differentiation in a socialist system should be attributed to the "politicization" of an entire system and to the "routinization of revolution" for development purposes, to borrow Richard Lowenthal's terms.⁴⁹ For the longevity of the party's rule and mass mobilization, the political leadership, the so-called proletarian dictatorship, attempts to endlessly stimulate a societal uniformity that distinguishes the system from neighboring systems. Both the politicization of an entire system and the routinization of a revolution tend to sacrifice the evolution of the system toward greater complexity. When the party-state, the core of the political subsystem, neither welcomes nor officially acknowledges diverse internal differ-

entiation, a given system will suffer from systemic monotonousness: power is concentrated in a few leaders in the Politburo and the Secretariat of the party; propaganda and ideological education are repeated for various forms of campaign marches; public ownership suppresses the profit-seeking incentives of individuals; and socialist literature displays a revolutionary model figure. Here we have no “withering away of the state”; instead, the party-state is something more than just one of four subsystems. The party-state comes to dominate the three other neighboring subsystems.

The disregard of unofficial internal differentiation was evident in North Korea in the launch of economic reform measures in July 2002. The system had clearly become incapable of entertaining different kinds of relations with its neighboring systems by isolating itself from necessary information and resources from outside in a selective way. But even after the 2002 reform measures, North Korea has maintained a simple mechanism of input, conversion, output, and feedback. Such a straightforward mechanism, built around Kim Jong Il, has relied on the expertise and skills of the assorted parts much less than complex systems do.

During and after the famine in the mid-1990s, there arose distinctive features of unofficial internal differentiation in North Korea. These internal differentiation processes came to be apparent in each subsystem, and Kim Jong Il alone could not resist them but had to acknowledge them. Here are several examples of them:

- *political subsystem*: collapse of the WPK’s guiding role vs. relative autonomy of the military from the party. Even before the famine, not only the crippled economy but also the disciplining of the party deteriorated the party’s guiding role. But the nationwide famine in the mid-1990s further devastated the party’s guiding role on economic affairs, in particular. During and after the famine, the party lost the authority and legitimacy to compel the people to return to their workplaces. Within this unruly situation, not only have propaganda machines extolled the military as a protector of the existing system, but also Kim Jong Il has differentiated the military, as an institution, from the party in the name of the “military-first politics.”
- *ideological subsystem*: collectivism and continuous revolution in the Chuch’e idea vs. familism and individualism in daily life. Despite the ideological education through both regular party-life criticism meetings and praise of the Ten Principles for the Establishment of the Chuch’e Idea, there has been little evidence of an internalization

of collectivist and revolutionary values in the heart of the people. Instead, familism and individualism have flourished, and profit-seeking behavior for individual survival has spread.

- *economic subsystem*: socialist economic institutions vs. institutionalization of unofficial commercial practices. The emergence of entrepreneurship, starting in the mid-1980s, has been accompanied by the erosion of significant aspects of public ownership. Unofficial contract relations between individuals and enterprises have become prevalent, replacing the socialist ownership mode with a new exercise of property rights on use, control, income, and even transfer. The 7-1 economic measures, undertaken in 2002, intended to accommodate, in part, the unofficial components within the official economy by raising salary and consumer price at the same time. But it could not help but foster the informal institutionalization of the new practices.
- *intellectual-cultural subsystem*: the official policy for converting intellectuals to the working class vs. intellectuals' status as a perceived potential "internal enemy." By pointing out the role of intellectuals in the process of the breakdown of socialist systems in Eastern European countries, Kim Jong Il warned against their potential for being co-opted by imperialists.

The disregard of unofficial internal differentiation in socialist systems and particularly in North Korea cannot extinguish the processes of change. If the internal differentiation is not admitted at the official level, it comes to multiply at the unofficial level. Such processes of unofficial internal differentiation and of prolonged negligence at the official level contribute to *systemic dissonance*. Unofficial internal differentiation in a subsystem necessarily brings about dual operations within each subsystem, which, in turn, come into conflict with the official spheres of other subsystems. For instance, in the Soviet Union under Brezhnev and in China in the early reform period, the spread of a second economy—in which party-state bureaucratic corruption was involved—contrasted with public ownership and consequently yielded a systemwide asymmetrical relation owing to its incongruity with the official ideology of collectivism or egalitarianism.⁵⁰ At any rate, the dual operation of subsystems, incurred by internal differentiation at the unofficial level, is necessarily accompanied by systemic dissonance. In North Korea, the unofficial internal differentiation and the ensuing systemic dissonance had

appeared during the second half of the 1980s and became distinctive amid the famine in the 1990s.

More importantly, *systemic dissonance* refers to the systemwide fluctuation caused by a serious degradation of the systemic identity. As noted earlier, there were three reference points that constituted the original identity and the individuality of the North Korean system and that externally differentiated the system from neighboring systems or the environment. Now, the unofficial internal differentiation in each subsystem came to be accompanied by partial disclaimers to the reference points: for example, some elements of socialist principles were discarded by permitting entrepreneurship and commercial practices, anti-imperialism was disclaimed by attempting to approach the United States and to expand the economic opening to the South, and the anti-Japanese guerrilla tradition was replaced with the military-based social order that is reflected in the "military-first politics." In this respect, the systemic dissonance has involved a transitional phase in the emergence of a revised mode of systemic identity and individuality, while both pursuing other means of viability and distinguishing the system from others.

There is a cautionary note about understanding the internal differentiation process. The terms *unofficial* and *illicit* belong to a perceptual text defined by a *binary code* that is an officially accepted moral artifact reflecting reference points. The rigid binary code in this system defines—from the official perspective—any deviant behavior as behavior that is morally wrong and harmful to the existing identity and individuality of the system. To define the unofficial sphere as immoral and harmful is a form of resistance to natural processes of internal differentiation. In North Korea, just as in other previous socialist systems, the most distinctive aspect of the duality caused by such a binary definitional situation has been the second economy. In the last two decades, as the party-state has officially left unacknowledged the existence of this second economy in daily life, there has been a dissonance between official identity and reality; that is, the second economy has continuously conflicted with the ideological doctrines of Chuch'e in North Korea. Furthermore, the second economy has eroded the legitimacy of the party-state guidance of society, because the party-state no longer gives out proper food rations. Given this extreme situation, it became impossible for bureaucrats to restrain themselves from involvement in the second economy. Harshly criticizing such involvement as corruption, the leadership in the first half of the 1990s led socialist campaigns against it.⁵¹

Major conjunctures

As an open system, even if isolated, the North Korean system has had to cope with more or less unexpected internal and external fluctuations. What led the system to experience abrupt internal differentiation and systemic dissonance? There were two major conjunctures. One was the breakdown of the socialist bloc in Eastern Europe and the disintegration of the Soviet Union, and the other, the severe famine in the three consecutive years from 1996 through 1998. Without doubt, these conjunctures revealed North Korea's vulnerability in the securing of materials that are essential for the maintenance of a country's internal economy: energy and food.

The collapse of the socialist bloc not only awakened North Korean leaders to a sense of crisis about the fate of socialism but also created a severe energy shortage, since the system had heavily relied on the Soviet Union and China for its oil imports. The data of the Korea National Statistical Office shows that as the amount of oil imports sharply declined at the beginning of the 1990s, energy consumption also fell (see table 1.1). Despite desperate efforts to increase coal production and to construct medium- and small-scale hydraulic power facilities since the end of the 1990s, the famine and its demobilization effect have hindered the concentration of labor power, which would be needed to resolve the energy shortage. Because North Korea's political leaders consider military industries to be the most important strategic choice, they have tried to maintain the energy supply line to these industries as much as possible, reducing energy consumption among the general public. As a result, most North Koreans have been suffering from a shortage of energy more seriously than ever before.

More importantly, the extreme famine starting in the mid-1990s weakened the capacity of the system. It is certain that the famine, not the shortage of energy (particularly oil), had the most devastating effect on the society. Because coal has been the main energy resource in North Korea, for the purpose of either electricity or fuel, the decrease in oil imports has contributed to deforestation and other negative environmental effects but has not grown so detrimental that it has strangled the life of the general public. However, the decline, by half, of the grain supply, which occurred between 1996 and 1998 (as seen in table 1.2), brought about a large number of deaths by starvation. As Nicholas Eberstadt has noted, the North Korean famine was an unprecedented one in the Communist countries that had already completed the socialist transformation—that is, land reform and agricultural collectivization.⁵² Among the many assessments of the death toll caused